



DPCC Fact Sheet: The Democratic Record on the Economy

Under President Obama

President Obama came into office during the worst economic crisis since the Great Depression. Since then, working with Congressional Democrats, he has dramatically strengthened the economy, created record job growth, and set the foundation for long term economic revitalization.

2014 and 2015 were the strongest two years of job growth since the 1990s. Each passing month extends the longest streak of job growth on record, with more than 14.4 million private-sector jobs added to the economy over the last 73 consecutive months of positive job growth. [White House, [2/25/16](#); Dept. of Labor, [3/4/16](#)]

- From a peak of 10 percent, the unemployment rate has been cut in half to 5 percent in March of 2016. [JEC, [4/1/16](#)]
- The number of jobs gained by the U.S. economy in 2015 exceeded 2.5 million, making it the second-best calendar year for U.S. job growth since 2000. [Market Watch, [1/4/2016](#)]

Despite a global economic downturn, the U.S. economy is performing at a very high level. According to the International Monetary Fund (IMF), on average in 2015, economic growth across the globe has significantly slowed to a rate not seen since 2009 right after the worst of the Great Recession. However, the U.S. had one of the highest growth rates compared to all other advanced economies. [IMF Report, [1/16](#); 2016 Economic Report of the President, [2/22/16](#)]

- **Today, the economy is undergoing the longest streak of private-sector job creation in history.** Businesses have added 14.4 million jobs over the last 73 consecutive months. Job growth in 2014 and 2015 was the highest it has been since the 1990s, with businesses adding about 203,000 private-sector jobs each month on average. Despite false claims from Republicans that the Affordable Care Act would increase part-time employment, all employment growth since early 2010 has been in full-time jobs. [MSNBC, [12/4/15](#); JEC, [4/1/16](#); Dept. of Labor, [3/4/16](#)]
- **Auto sales reached a record high of over 17 million units sold in 2015, and automobile production has more than doubled since 2009.** Since mid-2009, the auto industry has added nearly 660,000 jobs in both retail trade and manufacturing, with motor vehicle and parts manufacturers contributing nearly 300,000 of these jobs. This contributes to growth of about 838,000 jobs in the manufacturing sector during the economic recovery. [JEC, [1/1/16](#) ; JEC, [3/1/16](#); Bureau of Labor Statistics, [4/1/16](#)]

- **The unemployment rate has been cut in half since its peak at 10.0 percent in 2009 to 5.0 percent in March of 2016.** Furthermore, the 4.9 percent unemployment rate in January and February of this year was the first time the rate had dipped below 5 percent in almost 8 years. [NYT, [2/5/16](#); JEC, [4/1/16](#)]
 - The decline in unemployment has affected broad demographics across the economy: Hispanic unemployment is now 5.6 percent, down from a peak of 13.0 percent in August 2009. African-American unemployment is now 9.0 percent, down from 16.8 percent in March 2010. Post-9/11 veteran unemployment averaged 5.8 percent in 2015, down from an annual average peak of 12.1 percent in 2011. [JEC, [3/1/16](#); Bureau of Labor Statistics, [4/1/16](#)]
- **The housing sector has also made a significant recovery from historically devastating losses.** The Federal Housing Finance Agency (FHFA) purchase-only index is now higher than it was prior to the start of the recession in 2007, when housing prices began a dramatic fall. Furthermore, the percentage of underwater single-family homes has decreased by more than half, and the share of residential mortgages that are more than 90 days past due are at their lowest levels since 2008. Additionally, the rate of new foreclosures in the fourth quarter of 2015 is at its lowest level since the early 2000s. [NAHB, [2/25/2016](#); JEC, [3/1/16](#)]

Wage growth has also made gains in various industries despite problematic global economic headwinds [WSJ, [3/4/16](#)]

- As the labor market continues its historic recovery, working toward full employment, wage growth is starting to accelerate, with a 2.2 percent gain in hourly earnings over the past year. [Business Standard, [3/4/16](#)]
- According to Federal Reserve reports, the U.S economy has continued to expand, with evidence of strong wage growth in certain sectors. [Bloomberg, [3/2/16](#)]

During the Obama administration, real GDP has grown overall by 14.6 percent. [JEC, [3/25/16](#)]

- **Consumer spending:** “Consumer spending, which comprises about two-thirds of GDP, expanded by 2.7 percent in 2015, a pace slightly below that of the previous year.” [JEC, [3/1/16](#); Bureau of Labor Statistics, [4/1/16](#)]
- **Business investment:** In the last half of 2015, business investment slowed mostly due to diminished investment in oil drilling equipment. Over the past several years, investment’s share of GDP is settling around a level that is only slightly below the average of the two decades before the Great Recession. [JEC, [3/1/16](#)]
- **Government:** Government spending at all levels added about 0.2 percentage points to the growth of GDP in 2015. From 2010 to 2013, reductions in government spending slowed GDP growth by an average of 0.5 percentage points per year. [JEC, [3/1/16](#)]
- **Net exports:** “The decline in exports has largely been the result of slow economic growth worldwide and an appreciating U.S. dollar, which made American exports more expensive compared with those of foreign competitors.” [JEC, [3/1/16](#)]

Labor market conditions continued to improve for many categories of workers into 2016.

- African Americans: At a rate of 9.0 percent in March, unemployment has been nearly cut in half from the peak of 16.8 percent in March 2010. This rate is also lower than the pre-Great Recession average of 9.8 percent. [JEC, [3/1/16](#); Bureau of Labor Statistics, [4/1/16](#)]
- Hispanics: The unemployment rate for Hispanics was 5.6 percent in March, which is less than half of the peak rate of 13.0 percent in August of 2009. [JEC, [3/1/16](#); Bureau of Labor Statistics, [4/1/16](#)]
- Young workers: The unemployment rate for workers aged 16-24 was 10.4 percent in March, which was significantly lower than the peak rate of 19.5 percent and the prerecession average of 11.4 percent. [JEC, [3/1/16](#); Bureau of Labor Statistics, [4/1/16](#)]
- Less than high school education: The unemployment rate for workers aged 25 and older without a high school diploma was 7.4 percent in March. This is below the prerecession average of 7.9 percent. [JEC, [3/1/16](#); Bureau of Labor Statistics, [4/1/16](#)]
- Long-term unemployment: The long-term unemployment rate continued to decline in 2015, which stood at 1.3 percent in December (a decrease of 0.5 percentage points since the beginning of the year). [JEC, [3/1/16](#)]

Background

The economic data now shows that the economy was disintegrating at a similar, if not faster, rate in 2008 and 2009, as it was at the start of the Great Depression.

[WaPo, [6/11/12](#), White House, [2/25/16](#)]

- Household net worth plummeted more in the first year of the Great Recession than during the Depression, obliterating \$13 trillion of wealth from the U.S. economy in 2008 (a rate more than five times the rate at the onset of the Depression). [CNN, [6/9/11](#); White House, [2/25/16](#)]
- By the time the President took office, the U.S. stock market plummeted by almost 50 percent from its pre-crisis peak. This rate of decline was faster than the market crash over the same time period during the Great Depression. [White House, [2/25/16](#)]
- The rates of the decline of home prices, economic output, and employment in 2008 were similar, or faster, than in the first year of the Depression. [White House, [2/25/16](#)]

Bush-era economic policies wreaked havoc on America's working families.

- During the last five quarters of the Bush presidency real GDP plummeted by 4.1 percent. This included a decline of 8.2 percent in the fourth quarter of 2008, which was the worst quarterly economic performance in over 5 decades. More than 4.5 million private sector jobs were lost during President Bush's last year in office, pushing the unemployment rate up by nearly 3 percent from January 2008 to January 2009, and it was well on its way to reaching 10 percent just eight months later. [WaPo [4/24/13](#); , JEC, [3/1/16](#)]
- The manufacturing base rapidly eroded, bringing the automotive industry to the brink of a collapse: "from December 2007 to June 2009, auto industry employment plunged by more than 600,000 jobs—more than one-fifth of total employment in the industry. Auto

sales in 2009 ended at a 27-year low.” The depth of the crisis plagued the whole industry including retail outlets and suppliers. [JEC, [3/1/16](#)]

- The housing sector was also in dire need of support, as home values were in free fall – dropping 20 percent between 2007 and 2011. In some states, prices fell by almost half, wreaking havoc on all levels of the state economy. During the worst part of the housing market collapse, almost one-third of all homeowners were underwater on their mortgage. [JEC, [3/1/16](#)]

As part of the Federal government’s broader response, the Recovery Act laid the foundation for broad, long-term economic growth. [CBO, [2/21/14](#); CBO [2/20/15](#); White House, [2/25/16](#)]

- These policies included: “major investments and tax incentives to support clean energy, education reforms catalyzed by the Race to the Top program, innovative infrastructure projects funded through TIGER grants, expansions to Pell Grants and the creation of the American Opportunity Tax Credit to make college more affordable, investments in electronic medical records to improve health care, and tax relief to boost incomes for working and middle-class families.” [White House, [2/25/16](#)]
- These policies created investments that will support growth for decades, and many policies created by the Recovery Act have been extended, if not made permanent. [CBO, [5/25/11](#); White House, [2/25/16](#)]
- Per capita economic output returned to pre-crisis levels after only four years from the height of the crisis. [White House, [2/25/16](#)]
- The U.S. was one of the first major economies in the world to return to its pre-crisis economic output. [White House, [2/25/16](#)]
- The nonpartisan Congressional Budget Office determined that the Recovery Act supported U.S. GDP growth by 1 to 4 percent in 2010 alone. [White House, [2/25/16](#)]
- The Council of Economic Advisors estimated that GDP was “2.4 percent higher in 2010 than it would have been in the absence of the Recovery Act.” [White House, [2/25/16](#)]
- Every dollar of the Recovery Act “increased total economic output cumulatively by more than \$1.30 between 2009 and 2013, reflecting ripple effects as the recovery measures passed through to—and helped stabilize—the broader economy.” [White House, [2/25/16](#)]
- In the absence of the policies enacted by the Recovery Act, the poverty rate in 2010 would have increased by 1.7 percentage points, equating to about 5.3 million additional people who would have fallen into poverty. [White House, [2/25/16](#)]

The historic recovery was fueled not only by the Recovery Act, but as a result of a larger comprehensive response by the Federal government that also cut the medium and long term Federal deficit. [White House, [2/25/16](#)]

- After the Recovery Act was enacted, the Administration continued to work on other policies that strengthened the economy and reduced the deficit. These measures, including both the Affordable Care Act and the Dodd-Frank Wall Street reform, helped

drive down annual budget deficits by almost three-fourths. This was the fastest pace of deficit reduction since after World War II. [White House, [2/25/16](#)]

- Harvard and University of California, Berkeley researchers concluded that the Recovery Act may have actually reduced the debt as a share of economy due to the economic growth it sparked. Even considered in isolation, the Recovery Act had “at most a minimal impact on the long-run debt, adding less than 0.1 percentage points to the 75-year fiscal gap.” [White House, [2/25/16](#)]